



Monthly Bulletin

Volume 7, Number 12

June, 2004

Chief Examiner David L. Scott Retires

David L. Scott retired on June 1, 2004 after 32 years with the Department. Mr. Scott joined the California State Banking Department in August 7, 1972 as a junior examiner and held a variety of positions in the Department during his career.

Mr. Scott was appointed Chief State Bank Examiner on April 1, 1996. He became Chief State Examiner on July 1, 1997 when the State Banking Department became the Department of Financial Institutions. In this position, he supervised all of the Department's bank examination and bank supervision activities.

Dave's peers presented him with the Department's "Lifetime Achievement Award" in June 2004, in recognition of his passion for professionalism and expertise in banking and for his leadership, commitment and outstanding accomplishments during his service, which significantly contributed to the success of the Department in meeting its mission of safety and soundness.

We also acknowledge Dave's wife, Florence Scott, who retired in February 2004 after a 30-year career with the Department.

DFI Launches Major Policy Initiative to Reduce Regulation and Red Tape

Effective July 1, 2004 the Department of Financial Institutions (DFI) will launch a new bank application process. Department staff has redesigned the application process to eliminate more than one-half of the current process steps. Testing of the new process on three new applications has reduced the processing time from the date of application to the date of approval from over 150 days to an average of 43 days. The new application process has received strong approval from the industry.

111 Pine Street, Suite 1100, San Francisco, CA 94111-5613
300 South Spring Street, Suite 15513, Los Angeles, CA 90013-1204
1810—13th Street, Sacramento, CA 95814
7575 Metropolitan Drive, Suite 108, San Diego, CA 92108
Consumer Compliance

(415) 263-8500
(213) 897-2085
(916) 322-5966
(619) 682-7227
(800) 622-0620

During July 2004 the Department will be implementing a web-based application process for Transmitter of Money Abroad branch applications, agent authorizations, and agent branch office applications. Included in the new process is the filing of fingerprints via the LiveScan process, thereby automating the entire process. The new processes will significantly reduce application costs to licensees, and facilitate Department processing of these applications. A pilot program with four large licensees has been very successful and well received by the licensees.

Subsequent to the June 21, 2004 Business, Transportation & Housing Agency Performance Improvement Initiative presentation for the California Performance Review, the Department launched the strategic plan implementation schedule to prioritize not only the expert review panel recommendations but to also prioritize other strategic initiatives and projects, including the establishment of performance measures and targets. During July, the Department expects to complete the strategic plan implementation schedule and launch the performance dashboard.

2004-05 Assessment Due

Remit Fees to DFI by EFT Payment

Assessment invoices were mailed to the following licensees on June 30, 2004. This is the second year that licensees may remit payments by electronic funds transfer (EFT). This enables us to better manage its funds by reducing or eliminating costly and time-consuming manual processes. Please refer to the cover letter and assessment invoice for more information about this payment option or contact Eli Karam at (415) 263-8525 or by e-mail at ekaram@dfi.ca.gov.

Banks, Foreign Banks and Trust Companies

For the purposes of this assessment, the base rate is being set at \$1.35. An increase in the asset base and the return of the loan to the General Fund have allowed the base rate to remain unchanged from 2003. Invoices were mailed to each licensee on June 30, 2004 and become delinquent if not paid by July 20, 2004. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Industrial Banks

The assessment rate for industrial banks this year at \$0.80231 per thousand dollars of total assets is unchanged from the previous fiscal year ended June 30, 2003. Invoices were mailed to each licensee on June 30, 2004 and become delinquent if not paid by July 20, 2004. Insurance premium finance companies will be assessed on November 30, 2004. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

Credit Unions

The 2004-05 assessment rate was reduced to \$0.647282343 from last year's rate of \$0.747282343 per thousand dollars of total assets. Invoices were mailed to each licensee on June 30, 2004 and become delinquent if not paid by July 20, 2004. The statutory maximum rate is \$2.20 per thousand dollars of total assets.

DFI Collecting Data for 27th Annual Executive Officer and Director Compensation Survey

Forms for the 27th Annual Executive Officer and Director Compensation Survey as of June 30, 2004 were mailed to the CEOs of all state-chartered banks, industrial banks and national banks headquartered in California as of that date. Recipients are asked to respond by August 1, 2004 so the results can be compiled into a summary report that will be mailed to participating banks in the fall. If you do not receive your forms, please contact Patrick Carroll at (415) 263-8559 or by e-mail at pcarroll@dfi.ca.gov.

The survey results for the 26th Annual Executive Officer and Director Compensation Survey as of June 30, 2003 as well as the forms for the 2004 survey that were recently mailed are now available from the DFI Web site at: <http://www.dfi.ca.gov/execsum/default.asp>.

Commercial Bank Activity

New Bank

Beach Business Bank

1230 Rosecrans Avenue, Manhattan Beach, Los Angeles County, CA 90266

(310) 536-2270; (310) 943-3314 Fax

Web site: www.beachbusinessbank.com

Officers: Robert M. Franko, President & Chief Executive Officer

Melissa Lanfre, Senior Vice President & Chief Financial Officer

Philip J. Bond, Vice President & Chief Credit Officer

Capitalization: \$10,700,000.00

Opened: 6/1/04

Charter Oak Bank (Name changed from Wine Country Bank on 6/14/04)

1739 Trancas Street, Napa, Napa County, CA 94558

Correspondent: Grace Wickersham

Carpenter & Company

Five Park Plaza, Suite 950

Irvine, CA 92614-8527

(949) 261-8888

Filed: 6/1/04

First Standard Bank

1000 Wilshire Boulevard, Suite 100, Los Angeles, Los Angeles County

Correspondent: Maryam Hamzeh

Carpenter & Company

5 Park Plaza, Suite 950

Irvine, CA 92614

Phone: (949) 261-8888

Filed: 6/28/04

New Bank (Continued)

First Vietnamese American Bank
8341 Westminster Boulevard, Westminster, Orange County
Correspondents:
S. Alan Rosen, Esq.
Horgan, Rosen, Beckham & Coren, LLP
23975 Park Sorrento, Suite 200,
Calabasas, CA 91302
(818) 591-2121

Dr. Hieu T. Nguyen
14636 Via El Camino
Baldwin Park, CA 91706
(626) 337-9998
Filed: 6/29/04

Merger

Bank of Orange County, Orange, with and into Placer Sierra Bank, Auburn
Approved: 5/28/04

Hacienda Bank, Santa Maria, with and into Heritage Oaks Bank, Paso Robles
Approved: 6/3/04
Effected: 6/28/04

Trust Bank, Monterey Park, a federal savings association, with and into East-West Bank, San Marino
Filed: 6/10/04

Conversion

Western Financial Bank, Irvine, to convert from a federal savings bank to a state-chartered bank under the name Western Financial Bank
Filed: 6/9/04

Sale of Partial Business Unit

CNA Trust Corporation, Costa Mesa to sell a partial business unit to Union Bank of California, N.A., San Francisco
Filed: 5/28/04

Acquisition of Control

BancWest Corporation, Honolulu, Hawaii, and BNP Paribas, Paris, France, to acquire control of Union Safe Deposit Bank, Stockton

Filed: 6/14/04

Brian K. Garrett, to acquire control of Community Bank of the Bay, Oakland

Approved: 5/7/04

North Valley Bancorp, Redding to acquire control of Yolo Community Bancorp, Woodland

Filed: 5/20/04

Change of Name

Bay Business Bank (In Organization) to Bay Commercial Bank (In Organization)

Effected: 4/7/04

First International Bank to San Diego Community Bank

Filed: 6/23/04

Approved: 6/25/04

Savings and Loan Association Activity**Conversion to Federal Charter**

Malaga Bank, S.S.B. Palos Verdes Estates, converted to a federal savings bank

Effected: 6/24/04

Premium Finance Company Activity**New Premium Finance Company**

Commonwealth Premium Financing, Inc.

13750 Pipeline Ave., Chino, San Bernardino County

Approved: 6/16/04

Mutual Credit Corporation

1620 N. Placentia Ave., Suite 210, Placentia, Orange County

Approved: 6/16/04

Monarch Premium Resources, Inc.

25291 Via Piedra Roja, Laguna Niguel, Orange County

Approved: 6/2/04

Premier Financing Corp.
120 West Bonita Avenue, Suite 201-E, San Dimas, Los Angeles County
Approved: 6/3/04

Change of Name

Great American Premium Finance Corp. to Pacific Security Premium Finance Crop.
Filed: 5/3/04
Approved: 5/4/04

Foreign (Other Nation) Bank Activity

Purchase of Partial Business Unit

Liu Chong Hing Bank, Ltd., to acquire and assume certain assets and liabilities of the San Francisco depository agency of Chekiang First Bank, Limited
Effected: 6/22/04

Discontinuance of Office

Banco Do Brasil, S.A.
811 Wilshire Boulevard, Los Angeles, Los Angeles County (Representative Office)
Filed: 5/19/04
Approved: 6/22/04

Chekiang First Bank, Limited
360 Pine Street, San Francisco, San Francisco County (Depository Agency)
Discontinued: 6/28/04

Foreign (Other State) Bank Activity

New Facility

American Trust and Savings Bank
101 South Ellsworth Avenue, 2nd Floor, San Mateo, San Mateo County (Facility – Insured Bank)
Notified: 4/30/04

Discontinuance of Facility

Fleet National Bank (Facility – Insured Bank)
435 Tasso Street, Suite 250, Palo Alto, Santa Clara County
Discontinued: 4/1/04

Credit Union Activity

Merger

Buena Park City Employees Federal Credit Union, Buena Park, into Orange County's Credit Union, Santa Ana

Filed: 6/1/04

Approved: 6/28/04

Sagrado Corazon Federal Credit Union, San Jose, into Valley Credit Union, San Jose

Filed: 1/6/04

Unocal Federal Credit Union, El Segundo, into Wescom Credit Union, Pasadena

Approved: 4/16/04

Effectuated: 6/1/04

Verizon Employees Federal Credit Union, Los Alamitos, into Orange County's Credit Union, Santa Ana

Approved: 5/21/04

Change of Name

America's Choice Credit Union to change its name to My Credit Union

Approved: 10/27/03

Effectuated: 11/4/03

Placer Credit Union to change its name to Placer Community Credit Union

Filed: 3/18/04

Approved: 3/18/04

Effectuated: 5/1/04

Field of Membership

Eleven credit unions received approvals to add 40 new fields of membership during May 2004.

Bylaw Amendments

Five credit unions received approval for five bylaw amendments during May 2004.

Statutory Approvals

Two credit unions received two statutory approvals during May 2004.

Variances

One credit union received an approval for a request for variance to sections of the California Code of Regulations during May 2004.

Payment Instrument Activity

New Payment Instrument

Navicert Financial Inc.
17019 Kingsview Avenue
Carson, CA 90746
Approved: 6/16/04

HOWARD GOULD

Commissioner of Financial Institutions

Bulletin for Month ended
June 2004, issued pursuant
to Financial Code, Section 258



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